

I AM  DELTA



Dollars and Sense: **How Delta Township Spends Your Money**

2015 Citizen's Guide to
Delta Township's
Financial Health

Presented by
Delta Township
Finance Department

KEY TERMS

There are a few key terms that may be helpful when reading this report. They include:

- **Budget deficit/surplus.** If there is less money received than paid out in a given fiscal year, there is a budget **deficit** or shortfall. If there is more money received than paid during the fiscal year, a budget **surplus** exists.
- **Debt.** Just like a homeowner takes out a mortgage, governments can borrow money to pay for certain types of projects. The state has both short-term debt (paid back within the fiscal year) and long-term debt. Debt can be either **general obligation** debt, meaning that the state pays back the debt with regular tax collections and other revenues, or **special revenue** debt, which is paid off over time with revenue from specified sources beyond the usual taxes and service fees.
- **Fiscal year (FY).** The 12-month period of time during which budgets are allocated or finances are planned. Most households have a fiscal year that runs from January 1 to December 31 (that's the period for which we pay personal income taxes in April), while state government uses an October 1 - September 30 fiscal year. Some local units of government, including public schools, use a July 1 - June 30 fiscal year, while others operate on a typical calendar year.
- **Fund balance.** Once all the bills for the year have been paid out of a certain fund, whatever is left over is called the fund balance. When a fund balance is less than zero, you'll see the number shown with parentheses around it. Deficits cause fund balances to decrease, while surpluses cause them to increase.
- **Public budget gap.** A novel measure, similar to the deficit, used to measure the extent to which a government is falling short of covering its current and long-term obligations in a fiscal period. The budget gap takes into account the budget deficit, as well as any new obligations that the government has failed to cover such as **employee pensions or retiree health care**.
- **Reserved/Designated funds.** Some funds are considered to be "reserved" or "designated" for a specific purpose, and in some cases cannot be spent for anything else.

Welcome	1
How Governments Use Your Money	2
Where Citizen Dollars Go	
Services That Governments Provide	
How Taxpayer Money is Spent	3-4
Government Revenues and Expenditures	
Michigan's Fiscal Health.....	5-7
Fund Balance	
Long-term Debt	
How This Report Was Developed.....	8

Greetings,

This report, the 2015 Guide to Delta Township's Financial Health, was designed and intended to provide Delta Township residents and citizens of the Greater Lansing Region with a quick and easy way to analyze the current financial health of Delta Township. In addition, it gives you a means to compare our local government data with similar data from other local governments as well as state government. As a resident and taxpayer of Delta, you deserve to know what your property tax dollars are being used for, and how much services provided are costing you on an annual basis. I sincerely hope this document does just that.

For this report, we have used the most recent data available. In most cases, this is for the calendar year 2014. What does this report show? We find the following:

- **General government revenues have stabilized.** After several years of decline, property values have finally stabilized; therefore, tax revenue has done the same. We have also started to see increases in building permit fees and state shared revenue. Both are signs of a stronger economy.
- **General government expenditures have increased to fund future obligations.** During 2014, 2 million dollars were sent to the Other Post Employment trust fund to provide retiree health care for Delta Twp. retirees.
- **Adequate reserve levels have been maintained.** Delta Township has maintained at least a 50% unassigned fund balance reserve for the past several years. Over \$6.3 million of fund balance has been "assigned" for future expenditures relating to the Township Strategic Plan.
- **Future health care obligations have been addressed.** Other post-employment benefit obligations (OPEB) have been funded 100% since 2008. In total, 83% of our Actuarial Accrued Liability has been funded as of 12/31/2014.

I hope you find the data contained in this report useful. Once you have read this document, I invite you to share your opinions with our Township Board and members of our township administration.

Sincerely,

Jeff Anderson, Finance Director

WHERE CITIZEN DOLLARS GO

Several different types of revenue sources are collected by the Township. Major sources of revenue include:

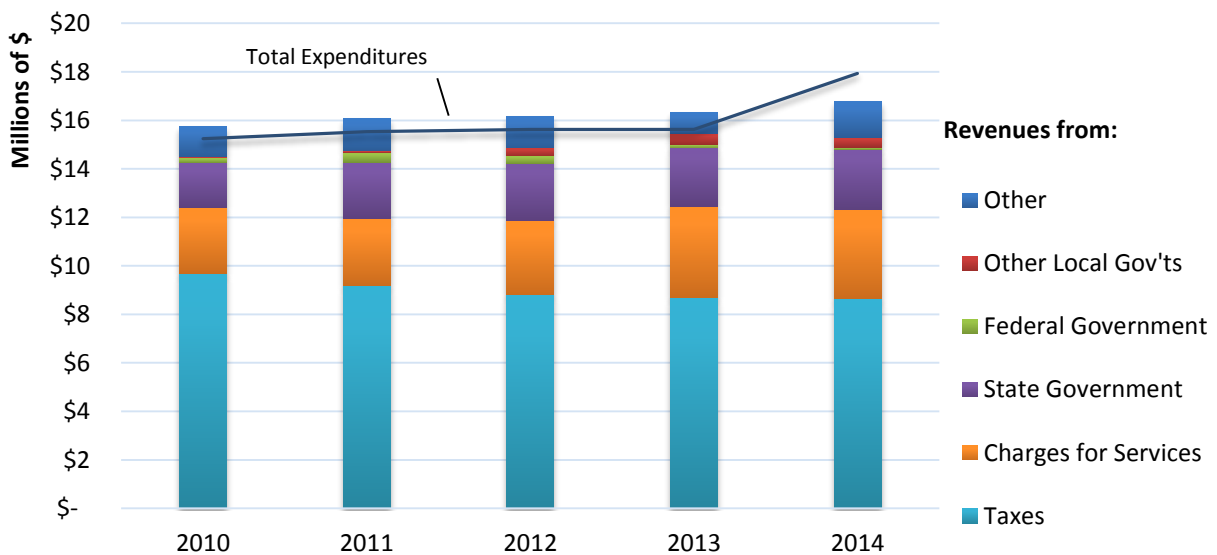
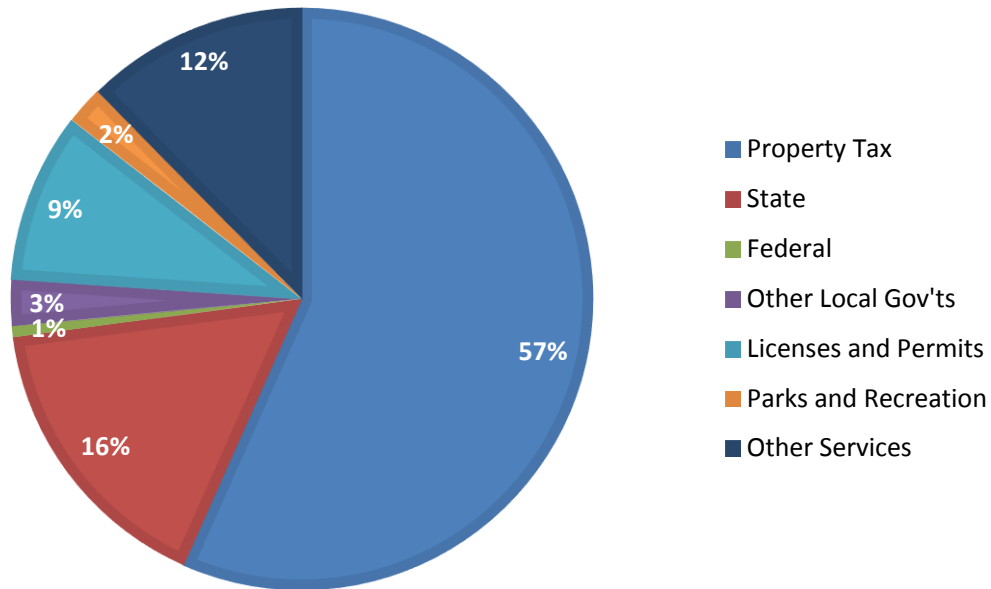
- **Property Taxes** – Property taxes are collected by the township for both real and personal property. Taxes are billed twice per year, July 1st and December 1st. Currently, the Township levies 4.9287 mills for the general fund, and .9896 mills for Paramedic services.
- **State Shared Revenue** – Amounts distributed to local governments six times per year from the State of Michigan. For Delta Township, this amount has slightly increased in the last year.
- **Paramedic Service Fees** – Fees collected for ambulance/paramedic services. For township residents, health insurance companies are billed for services. Any remaining balances are written off. Nonresidents are responsible for all fees associated with services.
- **License and Permit Fees** – These fees include inspection fees for building, mechanical, and electrical inspections as well as code inspection fees for all rental properties in the township.
- **Parks & Recreation Fees** – Fees collected for participation in recreation activities.

SERVICES THAT GOVERNMENTS PROVIDE

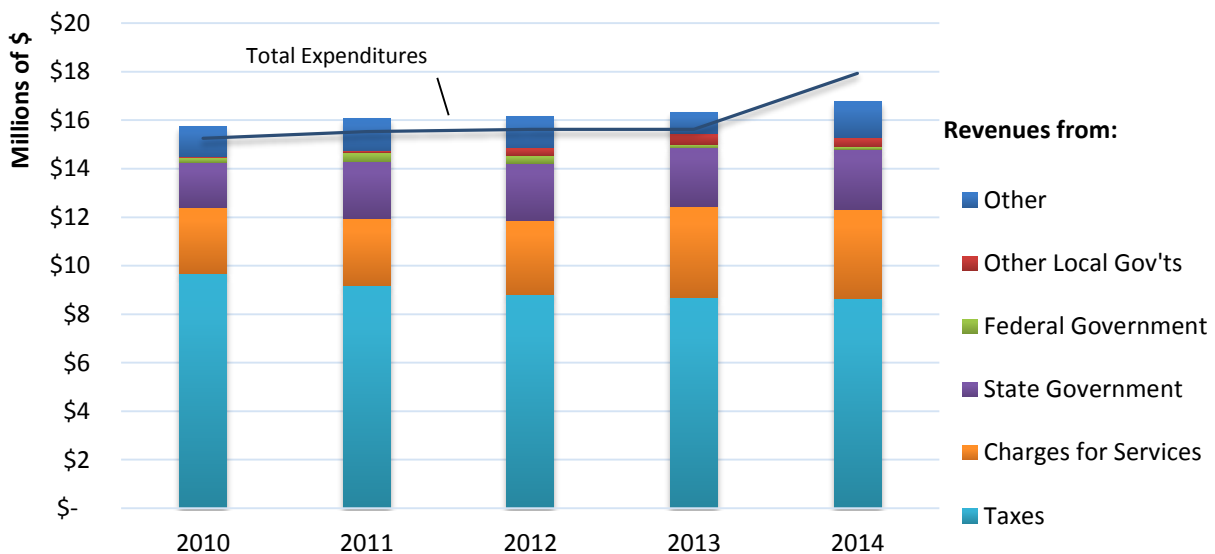
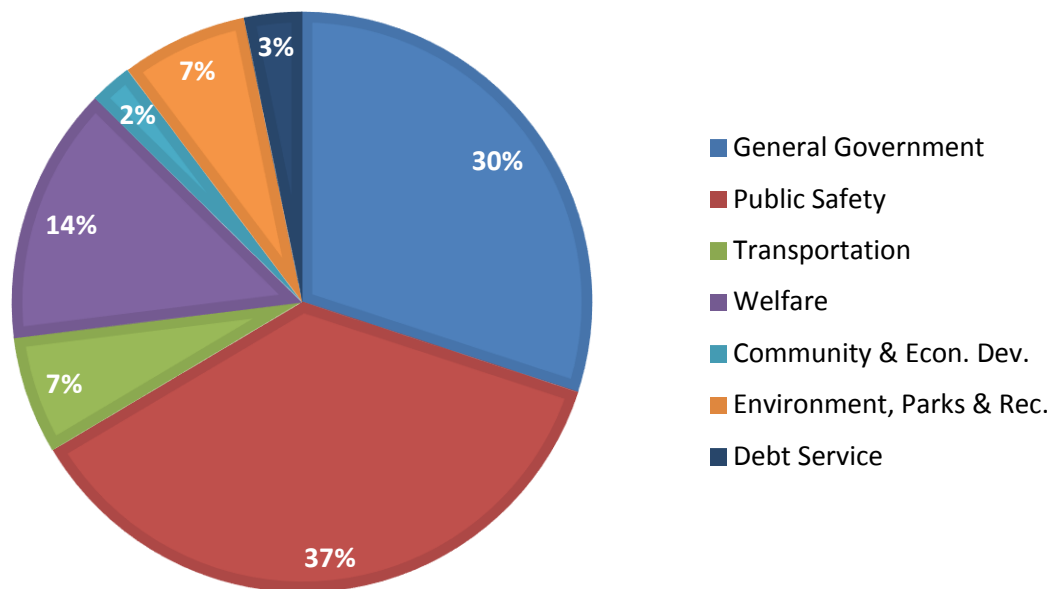
Delta Township provides numerous essential and non-essential services to its residents. Major services provided include:

- **Public Safety** – The Township contracts with the Eaton County Sheriff's Department for police services. Currently, that consists of 34 sworn law enforcement officers. Those 34 officers work out of the Delta Township Sub Station, located across the street from the township administration building. Fire protection is provided by the Delta Township Fire Department. In 2012, the Township entered into a shared services agreement with the Looking Glass Regional Fire Authority to provide fire and EMS services for both Watertown and Eagle Township. Currently, the fire department operates out of three active fire stations and is made up of 38 active paramedic/firefighters.
- **Paramedic Services** – These services are provided by the Delta Township Fire Department and include a full service advanced life support system, thereby saving lives and minimizing the effects of medical emergencies and injuries to the people of the region.
- **Community & Economic Development** – Provides services including building inspections, planning, and engineering. In addition, provides economic development opportunities for both new and existing businesses.
- **Parks & Recreation** - Delta Township maintains 12 public parks totaling over 850 acres. They provide a variety of activities and programs for all age groups.

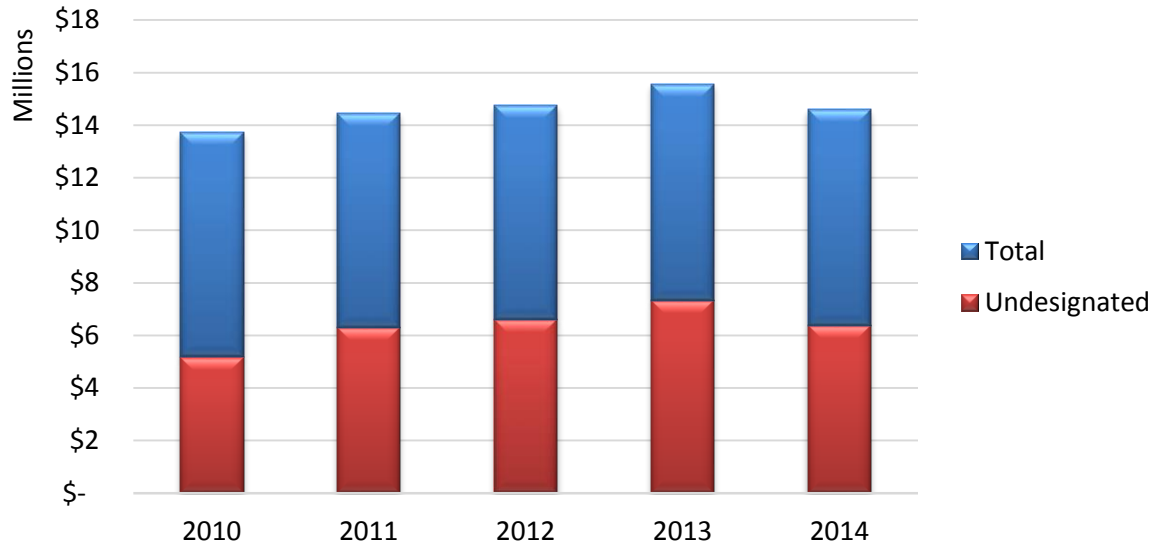
2014 GOVERNMENTAL FUNDS REVENUE



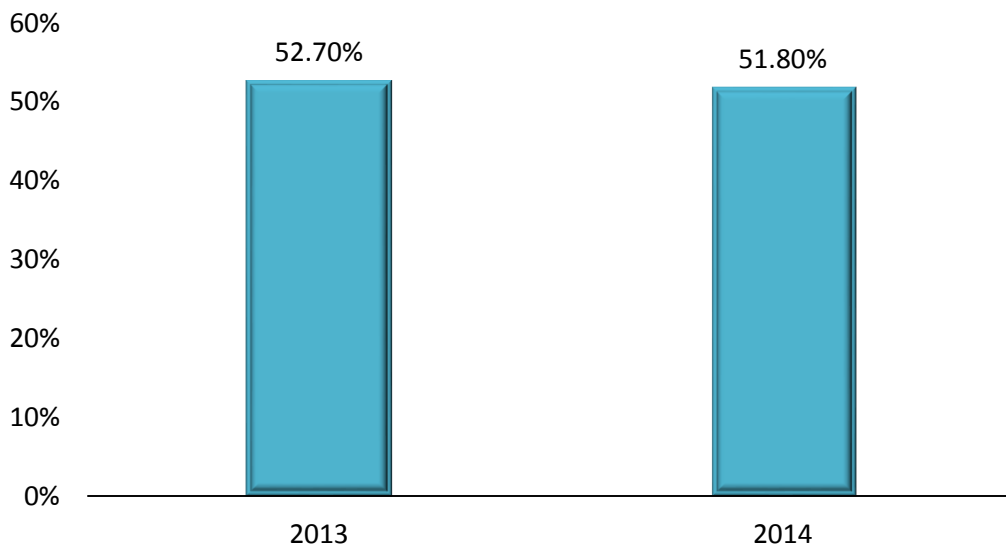
2014 GOVERNMENTAL FUNDS EXPENDITURES



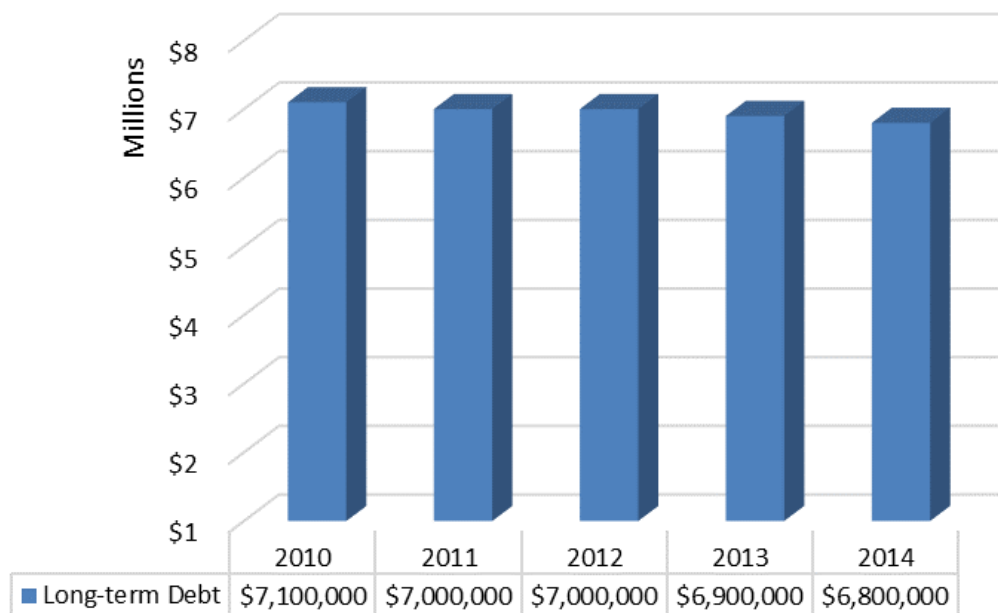
GF FUND BALANCE



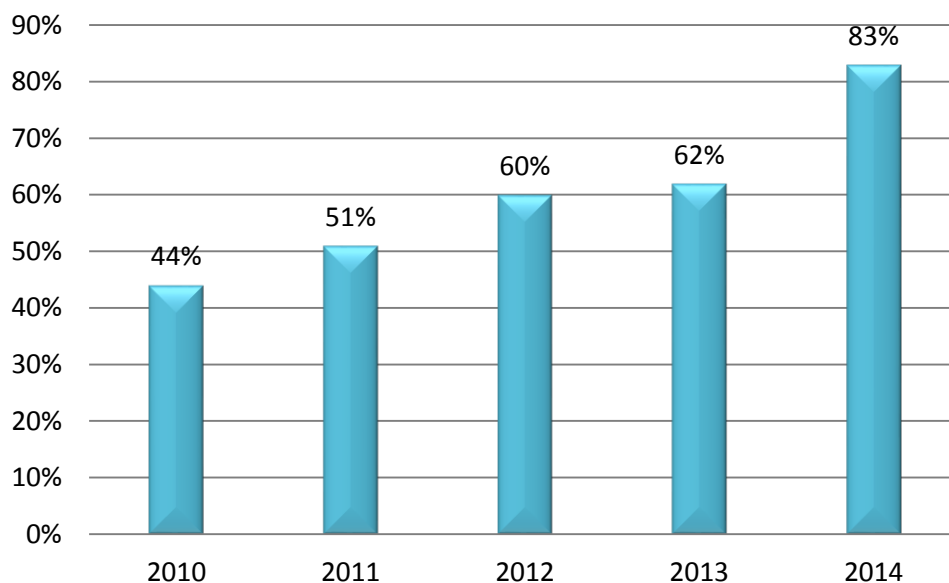
AVAILABLE RESERVES (AS A % OF EXPENDITURES)



DELTA CHARTER TOWNSHIP GOVERNMENTAL FUNDS LONG-TERM DEBT, 2009-2013

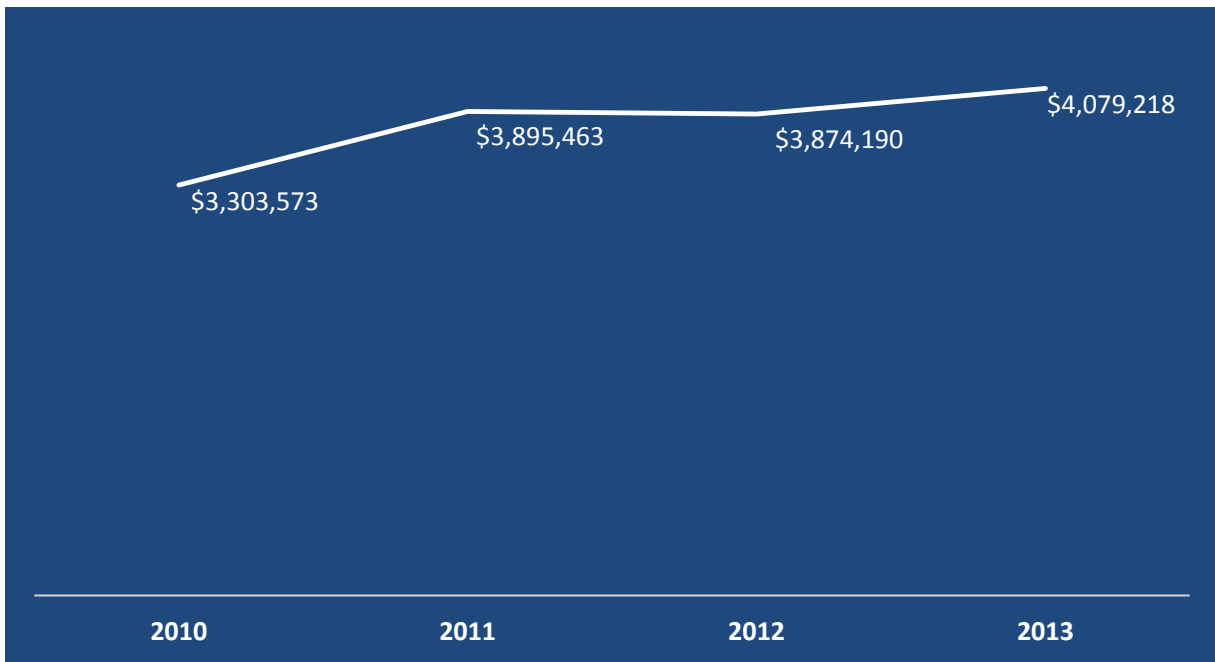


OTHER POST-EMPLOYMENT BENEFITS FUNDING LEVELS



The township provides health insurance benefits for its retirees. As of 12/31/14, the township has funded 10.9 million dollars of its total liability for these benefits. This amount represents 83% of the total liability.

UNFUNDED PENSION LIABILITY (FIREFIGHTERS DEFINED BENEFIT PLAN)



As of 6/15/15, significant changes were made to the defined benefit plan. We anticipate the unfunded liability for the plan to be reduced to \$1.5 million at the end of 2015.

How This Report Was Developed

The goal of this report was to provide the public with as much information as possible on the revenues, expenditures, and other financial activities of Delta Township. Below is a summary of the data used to compile the information in this report; all Delta Township information was taken from annual audit reports filed with the State of Michigan. All other information in this document was provided by the Michigan Department of Treasury.

Revenue	2014	2010	2011	2012	2013
Federal contributions:	92,819	177,591	393,538	313,761	161,258
State contributions:	2,488,471	1,877,945	2,340,854	2,347,192	2,411,596
Contributions from other local gov'ts:	390,038	60,000	74,543	318,332	419,976
Property taxes:	8,660,237	9,679,912	9,188,735	8,819,009	8,713,081
Other taxes:			-		
TOTAL TAX REVENUE:	8,660,237	9,679,912	9,188,735	8,819,009	8,713,081
Licenses and permits:	1,443,185	843,486	861,902	1,081,530	1,556,665
Parks and recreation:	325,965	271,152	284,477	295,659	325,192
Other services (parking, airports, housing, etc.):	1,889,535	1,595,589	1,606,668	1,682,012	1,853,685
TOTAL REVENUE FROM SERVICES:	3,658,685	2,710,227	2,753,047	3,059,201	3,735,542
Net interest and investment income:	405,214	270,539	341,520	269,456	(134,557)
Employee pensions:			-		
Other revenues:	1,064,042	948,096	966,561	1,020,206	1,005,305
TOTAL OTHER REVENUES:	1,469,256	1,218,635	1,308,081	1,289,662	870,748
TOTAL REVENUE:	16,759,506	15,724,310	16,058,798	16,147,157	16,312,201

Expenditures	2014	2010	2011	2012	2013
General government:	5,385,598	3,227,532	3,018,788	3,204,782	3,014,393
Public safety (police, fire, inspections):	6,530,654	5,338,615	5,719,116	6,167,857	5,946,812
Transportation (streets, hwys, airports):	1,178,579	1,926,484	1,730,656	1,435,103	1,705,648
Welfare, or human services:	2,574,934	2,565,472	2,603,309	2,405,772	2,763,493
Community and economic development:	421,485	335,760	391,603	379,090	384,360
Environment, parks, and recreation:	1,261,125	1,256,340	1,280,225	1,109,658	1,249,204
Debt service:	576,714	597,473	789,418	918,312	562,776
Other expenditures:			-	-	
TOTAL EXPENDITURES:	17,929,089	15,247,676	15,533,115	15,620,574	15,626,686